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Strategic dimensions in marketing planning:
large versus small/medium companies in the Indian television market

Neelam Kinra

Why does a concept which is becoming so pervasive have such a high probability of failure?

Introduction

The Indian television industry constitutes one of the most rapid and dynamic growth areas contributing to the economy. With viewership estimated at approximately 66 million people and, a market growth rate of 20 per cent per annum on average, there were an estimated 45 million sets in use in 1993, with an annual production of TV sets recorded at 3.05 million (of which 2.15 million were black and white and 900,000 colour televisions), according to the figures published by the Indian Television Manufacturers' Association in 1993. Concomitantly, the development of systematic marketing strategies by companies in India has elicited increasing interest, with marketing executives expressing more concern over the strategic planning decisions rather than being content with merely traditional, operating or tactical decisions.

An explicit statement of strategy is in fact the key to a company's success in the context of a changing environment. This is particularly true in the television and electronics industry due to the highly competitive environment in which large, medium- and small-scale firms coexist and compete for market share. Where there is no clear concept of strategy, companies have frequently made their decisions on the basis of intuitive assessments. However, such intuitive decisions are becoming increasingly unreliable. In fact long-term strategic planning is still an innovation in most companies even in the USA (Urban and Star, 1991).

While planning of sorts has a very long history, until recently marketing planning was neither systematic nor tailored to the markets or situational context (Abell and Hammond, 1979; Luck *et al.*, 1989). Strategic planning has thus been largely disregarded as companies cope with immediate problems (Naisbitt, 1982). In addition, it has been found (Silverblatt and Korgaonkar, 1987), that firms can be divided into three categories, namely those that have no long-range strategic market plans, those that are engaged in "some" long-range strategic marketing planning, including objectives and budget allocation, and those that include the most complete long-range strategic market planning with computerized control measures. Furthermore, more complete strategic planning has been found to occur particularly in large firms and, more so, those facing turbulent environments where "completeness" of strategic planning was defined in terms of the inclusion of quantified objectives and budgeted plans and financial statements.

The purpose of this study was to assess large as well as medium to small-sized companies for their approach to those dimensions that are significant in the strategic marketing process and by which activities were being managed in a developing country such as India, taking the TV industry as an example. Because of the prevalence in this industry of small-scale businesses, differences in emphasis given by large and small to medium-sized companies were also examined on their relevant marketing planning dimensions.

Conceptual framework

In a very early article, Oxenfeldt (1962), referred to the strategy concept as involving the selection and evaluation of target market segments. Subsequently, the term strategy has been commonly associated with the various elements of the marketing mix (Oxenfeldt and Moore, 1975) and companies have frequently considered their entire range of pricing, product, distribution and advertising strategies as comprising a wide spectrum of marketing decisions, all of which are labelled "strategic" (Greenley, 1989). These range from broad marketing

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decisions at one extreme to detailed marketing mix choices at the other.

In recent years, several frameworks have been developed in the area of strategy formulation, the term "strategic marketing" now being used essentially to describe the decisions taken to develop long-run strategies for survival and growth (Urban and Star, 1991). In large organizations strategic planning is known to occur at several levels, at all of which it is recognized as necessary for companies to adopt a "process" approach to strategic planning which includes in its ambit a systematic identification of the company mission in light of the corporate or business philosophy, followed by the formulation of objectives, growth strategies and, specific product-market positioning strategies based on target market identification, given the situational effects of the environmental opportunities and threats. The extent to which marketing know how is applicable to businesses operating in the Third World has been questioned having due regard to the constraints operating in sellers' versus buyers' market economies (Bartels, 1983; Cavusgil and Yavas, 1984), and to the effects of state government controls (Ross and McTavish, 1985). Subsequent research by Akaah *et al.*, (1988), among marketing managers drawn from companies in five different African countries on the perceived utility and applicability of marketing concepts, has indicated that the performance of marketing management activities – including objective setting, planning, co-ordination, valuation, and control – was indeed high in the third world business context. It was that buyers' or sellers' market environments or country income levels did not significantly influence the regularity or performance of marketing planning activities. It is postulated here that the strategic marketing planning dimensions, while important to companies in Third World countries, are still given differing emphasis by large and small- to medium-sized companies particularly in a developing country like India.

The current structure of the Indian television industry owes much to the Government's electronics policies of the 1980s. The rapid market growth witnessed in the present ongoing consumer demand for television sets has, in fact, been due to the relatively recent formulation of liberal government policies during the late 1980s and early 1990s, in granting licenses for the manufacture and assembly of television sets as well as in the spread of television transmitters throughout the country.

The consumer electronics industry in India started in the late 1940s with the production of radio receivers which, at that time were the preserve of a few people. Subsequently, however, there was a proliferation of radio sets so that by 1995, the audio-electronics sector accounted for 74 per cent of the total volume of consumer electronic goods. Television transmission commenced much later with the number of transmitters limited to only 19 until the 1970s, with no appreciable spread of the television network for quite a while.

Rapid growth of television transmission and viewership began only in 1982, with the setting up of as many as 22 transmitting stations in different parts of the country. This was followed by what was referred to as the "Special TV expansion programme" which was launched in 1983 and, consisted of an ambitious programme of setting up one television transmitter somewhere in the country almost everyday, for almost five months during that year.

By 1985, the market demand for radios had fallen to 28.6 per cent of the consumer electronics industry primarily due to the emergence of TV transmission facilities which had jumped from 20 per cent of the geographical coverage in 1983, to 72 per cent coverage in 1985. Significantly, this jump in coverage has also made available the large consumer markets that exist today, for the TV manufacturing industry.

In addition, colour TV licensing was introduced in India in 1983, with components not made in the country being allowed to be imported under open general licenses. Since then, growth of the TV industry has been phenomenal, particularly in the small-scale sector which has shown considerable progress by taking advantage of the government's liberalized import policies, by bringing in equipment in completely-knocked-down (CKD) and semi-knocked-down (SKD) kits. In fact, most of the indigenous television manufacturing is, at present, still in the form of CKD and SKD assemblies. Even the large, public sector companies like ET&T in India are known to distribute kits for assembly to small-scale units to be subsequently marketed under their more well known brand names.

As a result, the television industry as it has evolved, consists on the one hand, of some large reputable manufacturers from the public and private sectors with well known brand names and, on the other, of small- to medium-sized units dependent to a large extent on imported kits which they then assemble and sell under less well known brand names.

Because of the competition from small-scale units, a number of organized sector manufacturers have lost their grip on the trade so that several companies with well-known brand names like Weston, Orson, Crown, Dyanora and BPL have been struggling to stimulate demand with heavy advertising and promotional outlays. Others, like the brand manufacturers of Bush, Murphy and Nelco have diversified to other consumer electronics goods in the search for higher profitability. Under these circumstances, it becomes all the more important to know in what way companies in the industry are responding to competition through the dimensions critical to the process of strategic planning or whether they are merely resorting to short-term marketing tactics. Given this background of the competitive structure existing among large and small-to-medium-sized companies, the present article focuses on differences in the strategic planning process that might explain the future competitive activity among these companies.

Methodology

The sampling frame for the study consisted of 176 television manufacturing companies registered as members of the Indian Television Manufacturers' Association (ITMA). A structured questionnaire dealing with dimensions relevant to the strategic marketing process was mailed to companies in the sample. This was followed by repeated personal follow-ups to obtain the relevant data. The questionnaire had an empirical emphasis in analysing the dimensions of the marketing strategy process within a planning framework. The purpose was to identify the orientation of companies in formulating the dimensions relevant to the strategic planning process. Such a focus is important because, only clearly formulated marketing strategies, based on the process approach to planning, can give indications of the responsiveness of companies to change and adaptation to the environment.

In the next section, the major stages of the strategic planning process are analysed in detail with regard to television manufacturing organizations, namely how marketing managers of companies perceived their organizations in terms of their company mission, management philosophy and company image, as well as company objectives, growth strategies and, marketing elements that had an important bearing on product positioning and the overall marketing strategies.

Findings and discussion

A total of 70 companies returned the completed questionnaire through mail as well as personal follow-ups, out of the sample of 176 to whom questionnaires were mailed. Personal follow-up was conducted in the industrial belt of Noida in the Ghaziabad district, adjacent to the capital city of Delhi.

Despite the follow-up efforts a response rate of 39 per cent was obtained, a figure indicative of the fact that company managers were not overly keen on participating in the survey or disclosing information about their strategies or marketing budgetary outlays. Under these circumstances the results of the survey were necessarily limited.

Size of companies in terms of sales turnover

22 per cent of the organizations that responded to the survey were classified as large companies with sales turnover recorded at more than Rs. 100 crores (US$30 million), while the majority, namely 78 per cent were small-to-medium-sized, with annual sales turnovers in the range of Rs. 30 crores to Rs 100 crores (US$10 million to $30 million). These figures bear out the fact that the TV industry consists of only a few large scale companies in the public, private or else, joint sector and, several small scale units coexisting with each other.

Company missions or business purpose for large and small-to-medium-sized companies

When analysed for company mission or business purpose (see Table I), it was found that 58 per cent companies defined their purpose as being "in the field of consumer entertainment". There were, however, 42 per cent of companies where the business purpose was perceived by marketing managers of the concerned companies as being "in the field of electronics equipment". Worth noting is the fact that more often than not companies defined themselves as consumeroriented (i.e. 58 per cent), rather than as merely product-oriented electronics goods manufacturers. Consistent with this is the fact that customer-oriented perspectives in marketing are far superior in the long run to product or technology-oriented perspectives because companies would not need to radically change or redefine their mission each time the environment happened to change. More importantly, such mission statements by company managers seemed to fit in with the Indian government's more recent electronics policy of "broadbanding" since the late 1980s, which was meant to serve as a liberal policy initiative to allow electronics goods manufacturers to cover entire product ranges of entertainment electronics, including electronic toys, computer peripherals and other electronic goods.

As a policy initiative, this has also meant that manufacturers could, in the future, diversify and broaden their product lines to include radio receivers, tape recorders, amplifiers, television sets, record players, TV games, VCRs, digital clocks and calculators, as they like, a diversification strategy which was not available to them prior to the mid-1980s.

On closer analysis of the company mission, however, it could be interpreted that the mission was not stated or understood clearly by most companies with regard to customer group or need so that, while electronic goods were understood in many instances (42 per cent) to be the focus of the company's existence, they were not fine-tuned to customer need requirements in terms of "customer entertainment". Moreover, comparison of large versus small-to-medium-sized firms did not indicate any significant correlation between company size and perception of company mission ($\chi^2 = 1.04$, $p \leq$ NS) in terms of "consumer" or "product" orientation.

Table I. *Company business mission: large versus small-to-medium-sized companies*

Company purpose/mission	Number of companies	Large	Small-to-medium	Total sample (per cent)	
Consumer entertainment	22	4	18	30	(58)
Consumer electronics	18	6	12	28	
Entertainment electronics	16	2	14	24	(42)
Electronic equipment	14	3	11	18	
Total	70	15	55	100	

χ^2 = 1.04, df = 1, $p \leq$ NS.

Note: For the χ^2 computation, categories 1 and 2 were combined into one and categories 3 and 4 were combined into one to give one degree of freedom

Management philosophies and company image

Management philosophies were identified so as to find out whether they fitted in with the company mission or business purpose. They were found to range among companies (see Table II) from the broad level of "a pursuit for excellence" (17 per cent), to narrower philosophies described as those involving "excellent relations among employees" (23 per cent), "co-ordination among departments" (31 per cent), to "product quality" (20 per cent). A comparison of large with small- to medium-sized firms indicated a significant difference (χ^2 10.04, $p \leq 0.01$), between large companies which were more concerned with developing "excellence" and small firms that were concerned with more immediate problems such as "employee relations" which were therefore seen as important enough to take the form of company philosophies.

Company images (see Table III) were also perceived by most companies at an overall level in highly positive terms as "dynamic" or "efficient". In addition, while large companies had an image of themselves as "efficient", small companies saw themselves more in terms of being "dynamic" or alternatively, had "no such image concept". They were in any case, much more concerned with the survival issues that small businesses face.

Company objectives of large versus small-to-medium-sized firms

Since company objectives are indicative of specific accomplishments, translation of a company's mission or business purpose into specific objectives is necessary for realizing the company purpose. The objectives stated by different companies varied, as shown in Table IV, from providing "customer service" (43 per cent), to "quality products" (40 per cent), "sales maximization" (26 per cent), "profitability" (17 per cent) and lastly, "value for money" (11 per cent). It was seen that the majority of companies surveyed had, as their major objective, the provision of customer service or else, of providing quality products, even though sales maximization and

Table II. *Company philosophy: large versus small-to-medium-sized companies*

Company philosophy	Number of companies	Large	Small-to-medium	Total sample (per cent)
Improved co-ordination of departments	22	2 (13)	20 (36)	31
Excellent relations with employees	16	2 (13)	14 (25)	23
Product quality	20	4 (26)	16 (29)	20
Pursuit for excellence	12	7 (47)	5 (9)	17
Total	70	15	55	100

χ^2 = 10.04, $p \leq 0.01$

χ^2 Table value = 7.81

Note: Figures in brackets indicate percentages. Percentages do not add up to 100 due to multiple responses

Table III. *Perceived company image: large versus small-to-medium-sized companies*

Company philosophy	Number of companies	Large	Small-to-medium	Total sample (per cent)
Dynamism	32	4 (27)	28 (50)	45
Efficiency	26	10 (67)	16 (29)	38
No such personality/image	12	1 (7)	11 (22)	17
Total	70	15	55	100

$\chi^2 = 7.57, p \leq 0.05$

χ^2 Table value = 5.99

Note: Figures in brackets indicate percentages.

Table IV. *Stated company objectives: large versus small-to-medium-sized companies*

Company objectives	Number of companies	Large	Small-to-medium	Total sample (per cent)
Customer service	30	4 (13)	26 (39)	43
Product quality and reliability	28	6 (20)	22 (33)	40
Sales maximization	18	6 (20)	12 (18)	26
Profitability	12	8 (27)	4 (6)	17
Value for money	8	5 (17)	3 (4)	11
To be number 1	1	1 (3)	–	1
Total	97	30	67	138

$\chi^2 = 15.54, p \leq 0.05$

χ^2 Table value = 11.07

Note: Figures in brackets indicate percentages. Percentages do not add up to 100 due to multiple responses.

profitability were important objectives as well. In this context it is possible to differentiate between “performance objectives” and “change or improvement” objectives and suggest that, while performance objectives such as “profitability” and “sales” are important for companies, even more important are the improvement objectives such as “product quality” or “customer service”. Taken as a whole, these results indicate that Indian companies, in this context, still need to give more emphasis to providing “value for money” to consumers particularly in the electronics goods sectors, by combining their performance or “profitability” objectives with improvement or “quality” objectives.

A comparison of the objectives of large with small-to-medium-sized companies also showed that while large companies were more prone to mention as their primary objective that of profitability, small companies were more concerned with aspects of customer service and quality, or alternatively, with maximizing sales.

Assessment of television manufacturers’ growth strategies

On the basis of stated goals and objectives, the alternative marketing and growth strategies being followed by TV manufacturing companies were identified (Table V), at the three levels of analysis, namely: intensive growth concerned with the identification of current and potential growth trends in the existing product-market; integrative growth which would provide opportunities to integrate with the distributive or supplier systems; and, diversification growth concerned with identifying opportunities outside the existing product-marketing systems of companies. From the findings, companies surveyed appeared to be particularly interested in market expansion plans through integrative growth, either

Table V. *Marketing and growth strategies to meet stated objectives: large versus small-to-medium-sized companies*

Marketing and growth strategy	Number of companies	Large	Small-to-medium	Total sample (per cent)
Intensive				
Market penetration through:				
After-sales service	22	7 (39)	15 (25)	31
Product quality and		2	8	–
product reliability		5	7	–
Integrative				
Market development through:				
Expansion by economies of scale and new market search	40	5 (28)	35 (58)	57
Diversification				
through:				
Emphasis on new products and applications	16	6 (34)	10 (17)	23
Total	78	18	60	111

$\chi^2 = 77.6$, $df = 2$, $p \leq 0.01$

χ^2 Table value = 5.99

Note: Figures in brackets indicate percentages. Percentages do not add up to 100 due to multiple responses

through enlargement of market size or even through backward or forward integration, but this trend was more significant among small-to-medium-sized companies in contrast to large companies which envisaged intensive growth possibilities involving market penetration of the domestic market through providing efficient after-sales customer service or else, quality products. Product development through innovative R&D (23 per cent), was the least important as a growth strategy, possibly because of the additional resources required for it.

A detailed comparison between the large and small-to-medium-sized companies showed, however, that there was a significant difference between company size and marketing strategy orientation. While large companies were more concerned with market penetration and product development, small companies were more concerned with market expansion and with trying to increase total market demand rather than just market share and also with searching for new market segments through market development strategies.

Market opportunity analysis: differences between large and small-to-medium sized firms

Growth strategies identified for their importance in the previous section were examined in terms of the relevant opportunities and threats identified by companies as existing in the Indian market and, also with regard to perceived company capabilities in the context of their resources and performance. Opportunities were identified by companies (Table VI) to lie primarily in the domain of new product development for 51 per cent of the companies and in exploring new markets by 34 per cent companies. A combination of both product development and market development opportunities was perceived in the case of 12 per cent companies.

While there was a greater trend among large firms to perceive opportunities in new product development, a fact that was borne out in their relative marketing strategy emphasis as indicated in the previous sections, small-to-medium-sized companies were more prone to favour both new products and markets. However, the differences were not significant so far as the perception of opportunities was concerned. In fact, in terms of perceived opportunities, less stress was given to expansion into new markets (34 per cent) and, more to new products developments by both large (47 per cent) as well as small-to-medium (51 per cent) companies. Overall, this positive attitude among large, medium and small manufacturers toward perceiving opportunities in new product development was consistent with the "broadbanding" policy of the electronics industry as stated previously, which allows company managements the flexibility to expand product lines. While liberalization policies have indeed opened up opportunities in new product development, this does not discount new market development and expansion opportunities which are also known to exist because, while production has grown, the Indian market demand requirements have also grown simultaneously at a fairly rapid pace. As a result, the capacity of the Indian economy to absorb electronics goods exceeds production in the country and small manufacturers particularly, are taking advantage of this.

Analysis of company capabilities (Table VII), showed that in most cases companies perceived their main strength to lie in the "dealer network" (51 per cent), or "salesforce" (28 per cent) and less so in providing "customer satisfaction" even though this was a major objective among small companies as seen earlier from Table V. However, large companies saw themselves as significantly more capable of delivering customer satisfaction than small companies which tried to make the most through their sales force capabilities.

Company managers were also questioned on whether they perceived any major threat to their company survival in the electronics industry (Table VIII). Raw materials shortages were perceived to be, by far the major threat (62 per cent), in the industry, with the increasing number of competitors (46 per cent) second. A third, though minor threat, was perceived to lie in

Table VI. *Perceived marketing opportunities for large and small-to-medium-sized companies*

Perceived opportunities	Number of companies	Large	Small-to-medium	Total sample (per cent)
Opportunities in:				
New products	36	7 (47)	29 (53)	51
New markets	24	7 (27)	20 (36)	34
Both new products and markets	10	4 (27)	6 (11)	12
Total	70	15	55	100

$\chi^2 = 3.90$, p = NS

Note: Figures in brackets indicate percentages

Table VII. *Large versus small-to-medium-sized company capabilities in terms of perceived strengths and weaknesses*

Perceived strengths	Number of companies	Large	Small-to-medium	Total sample (per cent)
Dealer network	36	3 (18)	33 (31)	51
Salesforce	20	4 (25)	16 (28)	28
Customer satisfaction	16	9 (56)	7 (12)	23
Total	72	16	56	108
$\chi^2 = 14.94$, $p \leq 0.05$				
χ^2 Table value = 5.99				
Rapid growth	20	8 (53)	12 (22)	20
Young company	12	2 (13)	10 (18)	22
Thin market	38	5 (33)	43 (78)	48
Total	70	15	55	100
$\chi^2 = 11.73$, $p \leq 0.05$				
χ^2 Table value = 5.99				

Note: Figures in brackets indicate percentages. Percentages do not add up to 100 due to multiple responses

Table VIII. *Perceived environmental threats to achieving expansion differences between large versus small-to-medium-sized companies*

Perceived threats	Number of companies	Large	Small-to-medium	Total sample (per cent)
Raw material	42	3 (13)	39 (44)	62
Competitors	32	7 (30)	25 (28)	46
Finance	16	3 (13)	13 (14)	23
People	12	5 (22)	7 (8)	17
Changing technology	8	4 (17)	4 (4)	11
Government policies	2	1 (4)	1 (1)	3
Total	112	23	86	160

χ^2 = 13.45, $p \leq 0.05$

χ^2 Table value = 5.99

Note: Figures in brackets indicate percentages. Percentages do not add up to 100 due to multiple responses

the shortage of financial resources. Employee relations were, however, not considered to pose a major threat to company prospects. In addition, company size appeared to directly affect perceived threats. While small companies were more prone to see their major threat as raw material shortages, large companies saw their major threats as competitors, changing technologies or even discontented employees or government policies (χ^2 = 13.45, $p \leq 0.05$).

A comparison between large and small-to-medium-sized firms further showed that while large companies perceived their major weakness to be rapid growth over the past years, small companies were significantly more prone to see their weaknesses lying in their thin market coverage.

Distinctive competence

Areas of distinctive competence were cited by companies as being those of providing (Table IX), "efficient after-sales service" (65 per cent), "quality products" (54 per cent), and "customer satisfaction" (23 per cent). In one instance the manager interviewed identified the distinctive competence to lie in the company management's "professionalism" in comparison to other companies.

Large firms above all, perceived their distinctive competence to lie in their "after-sales service", presumably concerned with providing maintenance and repair services while small firms were significantly more likely to see it in providing customer satisfaction through the product quality itself.

Importance attributed by large and small-to-medium firms of marketing elements in the strategy process

Managers were also questioned on the importance given to the different marketing elements in helping to position their products with regard to the consumer market (Table X). Elements rated on an overall basis by companies as important were "product quality" with the highest mean rating of 6.8 on a seroantic differential scale of one to seven. "Brand image" (6.5), and "pricing" (6.5), were second in importance, while "trade promotion" (6.3) and "advertising" (6.0), were perceived to be more important than distribution network development (5.8), though trade promotion was considered to be much more important for its push effects among small firms (6.6) rather than large (5.5) firms. "Product mix" (4.2), and "product-line extension" (3.8), were given much less importance as major elements influencing marketing strategy. From the data it appeared that companies preferred to stick to short product lines and develop only a few models in each of the categories of consumer electronics they dealt with, in order to position themselves with regard to target market requirements within their given financial resources. This was despite the opportunities earlier observed among companies in the field of new product development (Table VI).

An assessment of the importance given to elements in marketing strategy indicates that far more fine-tuning would be required in terms of the distribution and retail network development as well as with regard to opportunities that might exist in product line extensions by companies aiming to meet customer requirements satisfactorily.

Table IX. *Perceived distinctive competence: large versus small-to-medium-sized companies*

Perceived competence	Number of companies	Large	Small-to-medium	Total sample (per cent)
After-sales service	46	16 (61)	30 (39)	66
Product quality	38	5 (19)	33 (43)	54
Customer satisfaction	16	3 (7)	13 (17)	23
Professionalism	2	2 (7)	–	3
Total	102	26	76	145

$\chi^2 = 10.70, p \leq 0.05$

χ^2 Table value = 7.81

Note: Figures in brackets indicate percentages

Table X. *Variations in importance in ratings attributed to elements important in marketing strategy: large versus small-to-medium-sized firms*

Element in marketing strategy	Mean rating overall sample (n = 70)	Mean rating large (n = 15)	Mean rating small-to-medium (n = 55)
Product quality	6.8	6.9	6.6
Product styling	6.2	6.3	6.0
Brand image	6.5	6.7	6.3
Brand awareness	6.5	6.8	6.0
Pricing	6.5	6.2	6.8
Trade promotion	6.3	5.5	6.6
Advertising	6.0	6.2	5.5
Retail network	5.8	6.3	5.1
Retail outlet location	5.6	6.2	5.3
Product mix	4.5	4.8	4.2
Product line	4.0	4.3	3.8

Note: Mean scores ranged from 7 = positive end, to 1 = negative end of the scale

Discussion and conclusions

The present study attempted to find out whether there were any differences in strategic emphasis between large and small-to-medium-sized firms with regard to dimensions relevant to a marketing planning framework.

The study found that on an overall basis at least 42 per cent companies were not very specific and lacked a marketing orientation about their business mission. Despite this lack of clarity on mission, marketing growth strategies were found to be largely consistent with company objectives and management philosophies, though perceived in different ways by large and small-to-medium companies. This was evidenced in the fact that small companies with the objectives of "customer service" and "sales maximization" focused on strategies of market development and expansion through searching for untapped market segments while large companies with objectives of "profitability" were far more concerned with applying market penetration strategies to existing markets or else new product development strategies. However, while small companies were more prone to see their objective as customer service, large companies saw themselves as more capable in providing customer service. The consistency between objectives and growth strategies and distinctive competence also appeared at large, in the concerns for product quality that were brought out time and again for both large and small-to-medium-sized companies. Product quality appeared to be an underlying guiding factor that was emphasized in the company philosophies (20 per cent), objectives (40 per cent), growth strategies (28 per cent), distinctive competence (84 per cent) and also appeared as an important perceived element in product positioning. Notably, market expansion opportunities where perceived, were limited mainly to the domestic market.

The essential point that emerged from this study was that television manufacturing companies in general still need to incorporate more professionalism in determining and linking their company missions to the formulation of their marketing strategies in the light of stated objectives, market position, access to resources, environmental opportunities and threat structures. Strategic marketing planning also requires a much sharper focus with regard to company mission, and all other aspects of the strategic planning process particularly among small-to-medium-sized firms that form the bulk of the Indian electronics sector.

In this context, Silverblatt and Korgaonkar (1987), have differentiated firms as having long-term versus short-term strategy and planning orientations on the basis of their types of objectives with short-term orientations reflected by a focus on sales criteria objectives and long-term orientations reflected by market share and profitability objectives. Lindsay and Rue (1980) have also found that more complete marketing planning across all dimensions was undertaken by large firms operating in a more rather than less turbulent environment in terms of changing technologies and unexpected competition. However, as the environmental turbulence increases it is possible that the emphasis of the plan may reflect a greater short-term orientation with objectives of a short-term or intermediate nature.

Silverblatt and Korgaonkar (1987) suggest that as large firms have begun to face more turbulence due to the entry of small firms and the expansion of market demand, they are more inclined towards long-term objectives of market share rather than merely sales to serve as a buffer along with more complete strategic planning and a long-term strategic orientation. They will, moreover, use a combination of several growth-oriented marketing strategies rather than one such strategy alone.

In addition, a summary tabulation of significant variations in the importance given to marketing dimensions with respect to size of firm (as indicated in Table XI) revealed that apart from broad similarities in the formulation of business mission, and perceived opportunities, there were significant differences between large and small-medium-sized companies with regard to dimensions such as company philosophy, company image, objectives and growth-oriented marketing strategies.

They also differed with regard to perceived threats, company capabilities, and the dimensions considered necessary with regard to implementation of the marketing strategies of companies. Thus, large firms saw themselves as more concerned with “excellence”, with a company image of “efficiency”, and objectives of “profitability” and, marketing strategies focusing on market penetration and product development. They also saw their main existing threat as government policies despite the recent trends towards liberalization from government controls.

Small-to-medium-sized companies in contrast were more concerned with a philosophy of developing “employee relations” and in addition, more prone to have an image of themselves as “dynamic” rather than “efficient”. They were also more concerned with objectives of “customer service” and saw their major threat as “raw materials”shortages. Small-to-medium-sized firms appeared basically to be far more concerned with

Table XI. *Influence of size of firm on dimensions of strategic marketing*

Strategic dimension	Degrees of freedom	χ^2 actual	χ^2 table	Significance level
Company mission	1	1.04	3.84	NS
Company philosophy	3	10.04	7.81	0.01
Company image	2	7.57	5.99	0.05
Company objectives	5	15.54	11.07	0.05
Marketing and growth strategy	2	77.60	5.99	0.05
Perceived opportunities	2	3.90	5.99	NS
Perceived environmental threats	5	13.45	5.99	0.05
Perceived company strengths	2	14.94	5.99	0.05
Perceived weakness	2	11.73	5.99	0.05
Perceived competence	3	10.70	7.81	0.05

survival issues involving the search for new market segments and attempts to increase the size of the total market.

Small companies saw their major strength in their sales and dealer network which fitted in with their strategy of market development along with an emphasis on "trade promotion". This also fitted in with their objective of "customer service". Large companies in contrast overwhelmingly perceived their strength to lie in providing "customer satisfaction" and their distinctive competence in after-sales service to customers, even though the objective was profitability. Presumably, this was due to the higher level of resources at the disposal of large companies in providing customer satisfaction. While opportunities were perceived in new product development, this was not a major growth strategy quoted by either large or small firms ostensibly because of a lack of financial resources. Notably market expansion opportunities, where perceived, appeared limited mainly to the domestic market. It appears, therefore, that an export market orientation in terms of new market development into foreign markets among companies in the electronics sector has yet to gain momentum.

In conclusion, while the findings described above serve to highlight some of the ways in which small-to-medium-sized firms differ from large companies in their approach to marketing strategy dimensions, further studies would do well to examine the effect of macro-environmental factors such as governmental policies and marketing know how, particularly those deriving from socialist or capitalist development ideologies which may have a crucial influence on the strategic decisions of large, as well as small-to-medium-sized firms, albeit in different ways.

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